

**Single Audit of the State of Tennessee for the Fiscal Year
Ended June 30, 2012
A-77-14-00008**



May 2014

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.

Background

The Tennessee Comptroller of the Treasury conducted the single audit of the State of Tennessee. SSA is responsible for resolving single audit findings related to its Disability Insurance program. The Department of Human Services (DHS) is the Tennessee Disability Determination Section's (DDS) parent agency.

Findings

The single audit reported SSA was overcharged indirect costs for the quarter ended December 31, 2011.

In addition, the single audit reported DHS did not follow State information system security policies, which may result in an increased risk of fraudulent activity or loss of data.

Recommendations

We recommend that SSA ensure it received credit for the \$4,449 in unallowable indirect costs.

We made a recommendation to SSA in a prior report for corrective action on the information system security policy finding. We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation.